

Gaming Commission Regulations
Regulation # R400-04:GC-06
Chapter 6 - Vendor Licensing

Section 1. Purpose; Authority

1-1. *Purpose.* It is the purpose of this Chapter to:

- a. To set a uniform process for the issuance of licenses to vendors and suppliers of gaming equipment, supplies, or services, as well as vendors supplying non-gaming equipment, supplies and services to any gaming enterprise operating on the Reservation.; and
- b. Assist the Gaming Enterprise and its prospective vendors to understand the licensing process that Tribal law imposes upon persons that seek to do business with a gaming enterprise on Little River Band of Ottawa Indians Tribal lands.

1-2. *Authority.* These rules and regulations are issued under and pursuant to the authority of the Gaming Ordinance, # 02-400-01, Gaming Commission Ordinance, # 04-400-04, and Commission's Ordinance, # 04-100-06. This Regulation is specifically enacted in furtherance of the Little River Band of Ottawa Indians Gaming Commission's duty to license vendors doing business with any gaming enterprise within the jurisdiction of the Tribe pursuant to Section 8.04 and Section 11 of the Gaming Ordinance #02-400-01.

Section 2. Definitions

2-1. *General.* For purposes of this regulation, certain terms are defined in this section. The word "shall" is always mandatory and not merely advisory. Unless defined elsewhere, terms defined in this Chapter and the Gaming Ordinance and Gaming Commission Ordinance are defined for the purposes of all Gaming Commission Regulations.

"*Control Person*" means any person who has the power to direct or cause direction of the management and policies of the business operations of a Gaming Vendor or Non-Gaming Vendor as verified by the vendor's ownership and organization structure described in the Corporate Disclosure form. Control shall be presumed for any person owning shares of a corporation that is not a publicly traded corporation if that person owns, controls or holds the power to vote ten percent (10%) or more of the voting securities of a person.

Control persons include members of the Board of Directors, Chief Executive Officer, Chief Operating Officer, and any person with the responsibility and authority to contract on behalf of the business with respect to the goods and services being provided to a gaming enterprise.

"*Gaming Vendors*" shall mean any person providing gaming services or gaming equipment or supplies.

"*Gaming equipment or supplies*" means a machine, mechanism, device, or implement that affects the result of a gambling game by determining a win or loss, including without limitation, any of the following:

- (i) Electronic gaming devices;
- (ii) Software;
- (iii) Cards; and
- (iv) Dice.

Gaming equipment includes, without limitation, gaming tables, logo cards, logo dice, chips, tokens, logo layouts, drop boxes, electrical devices, chip holders, racks and containers, scales, automatic card shufflers, counting devices, slip dispensers, dealing shoes, locking devices, card reader devices, and data processing equipment. It also includes electronic/computer/video machines, electronic debit cards and other related hardware and software that do not affect the result of the game.

“Gaming Service” means any goods, services or concessions which directly relate to the conduct of gaming, security, or surveillance at any gaming enterprise, including without limitation, providers of casino credit reporting services, casino surveillance systems or services, and suppliers, servicers or repairers of any gaming equipment or supplies, computerized gaming monitoring systems, bill exchangers, and credit voucher machines.

“General Manager” means the employee responsible for directing and overseeing the operations of a gaming enterprise whether employed by a management company or by the Tribe.

“Non-Gaming Vendor” means any vendor providing goods and services to any gaming enterprise, other than gaming services or gaming equipment and supplies, in an amount of \$50,000.00 or greater, in any calendar year.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, an unincorporated organization, any similar entity, or any combination of the foregoing acting in concert.

“Service Vendors” means any vendor providing goods, services, or concessions to any gaming enterprise, other than gaming services or gaming equipment and supplies, in an amount less than \$50,000.00 in any calendar year.

Section 3. License Required

3-1 Every person supplying any gaming equipment or supplies, gaming service, or other goods and services to a gaming enterprise must obtain a Gaming Vendor or a Non-Gaming Vendor license unless exempted from licensing requirements pursuant to Section 3-4 or Section 3-5 or meeting the definition of Service Vendor..

3-2 The gaming enterprise shall be responsible for notifying any person with which it is considering conducting business of the licensing requirements prior to contracting with such person.

3-3 Prior to the purchase of any gaming equipment or supplies, gaming service, or

other goods and services from any person, the gaming enterprise shall determine if such person possesses or is required to possess, a Gaming Vendor or Non-Gaming Vendor License under these Regulations and forward a written “Notice of Intent to Conduct Business” to the Gaming Commission. The “Notice of Intent to Conduct Business” shall describe the equipment, supplies or services to be provided by the vendor, together with a good faith estimate of the annual dollar amount of the projected purchases from the vendor. The gaming enterprise may not commit to any binding contracts or business transactions until the vendor has been licensed.

3-4 Exempted Vendors.

a. *Service Vendors.* Service Vendors, as defined in these regulations, shall not be required to obtain a Non-Gaming Vendor License from the Gaming Commission. Service Vendors are required to adhere to the provisions of the Gaming Commission approved Service Vendor Program developed in accordance with Section 6.11 of these Regulations.

b. The Gaming Commission, at its sole discretion, may exempt persons (or businesses) from Vendor licensing requirements in certain highly regulated fields. The following is provided as a general reference for possible exemption:

1. Medical corporations, partnerships or sole proprietorships, where the officers, directors and owners are physicians.
2. Insurance companies licensed in any of the 50 U.S. States.
3. Attorneys licensed to practice law in any U.S. State, including legal partnerships and legal professional corporations.
4. Any lending institution regulated by the federal government or a state government, or any servicer, loan arranger, or placement agent exclusively for such institutions.
5. Any public or private institution of education.
6. Public utilities regulated by the Michigan Public Service Commission. Local, state and federal governmental agencies in Michigan, including the U.S. Postal Service.
7. Travel industry enterprises licensed by the Interstate Commerce Commission or the Michigan Public Utilities Commission or approved by the Air Traffic Conference or the International Air Transport Association. (This exemption does NOT apply to any “junket enterprise” or travel agency used by the gaming enterprise for official business travel.)

8. Commercial enterprises licensed or regulated by the Federal Communications Commission such as radio and television stations.

c. The Gaming Commission may grant special exemptions from vendor licensing requirements in certain fields providing professional services or unique services under circumstances where the Gaming Commission determines that licensing of the vendor is not necessary to protect the public interest or to accomplish the policies or purposes of the Gaming Ordinance. Persons that may qualify for special exemptions are those in the following circumstances: businesses from which a gaming enterprise purchases advertising, such as billboard companies, trade magazines and newspapers; advertising agencies providing artistic or creative services; and persons making isolated (single item/event) sales of goods or services which do not impact any gaming activity.

3-5 The Gaming Commission may enter an Order(s) exempting certain fields (i.e. all insurance companies; regulated financial institutions) in the above categories from licensing or exempting fields or categories of similarly situated vendors under specified circumstances. In all cases, the vendor and the gaming enterprise must each submit a request for exemption from the licensing requirements, detailing all factors relevant to the request.

3-6 Vendors granted an exemption by the Gaming Commission shall be required to provide a completed Conflict of Interest Disclosure in a form satisfactory to the Gaming Commission prior to the commencement of business with the gaming enterprise.

3-7 Prior to entering into any contract with an Exempted Vendor, the gaming enterprise shall forward a written "Notice of Intent to Conduct Business" to the Gaming Commission. The "Notice of Intent to Conduct Business" shall describe the equipment, supplies or services to be provided by the vendor, together with a good faith estimate of the dollar amount of the projected purchases from the vendor.

Section 4. Fee Schedule

Licensing fees will be charged for processing of applications and investigations and are payable to the Little River Band of Ottawa Indians.

4-1 Gaming Vendor - Initial Application Fees

Vendors providing gaming services, gaming supplies, or gaming equipment to the gaming enterprise will be charged licensing fees according to the following schedule and will be based on the gaming enterprise's Notice of Intent to Conduct Business.

4-1-1 All new Gaming Vendors expected to provide, gaming equipment, supplies, or services to the gaming enterprise in the amount of \$100,000.00 or greater will be assessed a license fee of \$5,000.00.

4-1-2 All new Gaming Vendors expected to provide, gaming equipment, supplies or

services to the gaming enterprise in the amount of \$50,000.00 and greater but less than \$100,000.00, will be assessed a license fee of \$3,000.00.

4-1-3 All new Gaming Vendors expected to provide, gaming equipment, supplies or services to the gaming enterprise less than \$50,000.000 will be assessed a license fee of \$1,500.00.

4-1-3 The Gaming Commission reserves the right to require additional fees if the vendor applicant has significant subsidiaries or foreign holdings requiring investigation.

4-2 Gaming Vendor - Renewal Application

4-2-1 All Gaming Vendors must maintain a valid Gaming Vendor License in order to continue doing business with the gaming enterprise.. The gaming enterprise must initiate the renewal process by forwarding a Renewal Notice of Intent to Conduct Business form to the Gaming Commission at least 120 days prior to license expiration dates.

4-2-2 All Gaming Vendors must complete the required renewal forms by the deadline date given in their license application instruction letter. Failure to submit the required renewal forms by this deadline date could result in the license expiring and the Gaming Commission Ordering the gaming enterprise to cease doing business with the vendor.. The fee for this renewal is \$1500.00, regardless of anticipated cost for goods and/or services.

4-2-3 All Gaming Vendors are under a continuing duty to disclose to the Gaming Commission any material changes to the information or documentation provided in or with an application for license under Section 5.

4-2-4 In the event that significant new information is disclosed since the last issuance of a Gaming Vendor License, a fee will be assessed based on investigative requirements. This fee will be discussed with the Vendor prior to initiation of the investigation.

4-2-5 If any vendor fails to complete the requirements for renewal of its Gaming Vendor License, or obtain a Provisional License in accordance with Section 8, prior to the expiration of such person's current Vendor License, the Gaming Commission will enter an Order prohibiting the gaming enterprise from conducting business with such vendor until such vendor complies with all licensing requirements.

4-3 Non-Gaming Vendor - Initial Application Fees

All Vendors providing goods or services, other than gaming equipment or supplies and gaming services, will be charged licensing fees according to the following schedule and will be based on the gaming enterprises Notice of Intent to Conduct Business .

4-3-1 All new Non-Gaming Vendors providing non-gaming equipment, supplies or services to any gaming enterprise in the in the amount of \$50,000.00 and greater but less than \$100,000.00, will be assessed a license fee of \$750.00.

4-3-2 All new Non-Gaming Vendors providing, or expecting to provide, non-gaming equipment, supplies or services to any gaming enterprise in an amount equal to or exceeding \$100,000.00 but less than \$200,000.00, will be assessed a license fee of \$1,500.00.

4-3-3 All new Non-Gaming Vendors providing, or expecting to provide, non-gaming equipment, supplies or services to any gaming enterprise in an amount equal to or exceeding \$200,000.00 will be assessed a license fee of \$3,000.00.

4-3-4 The Gaming Commission reserves the right to require additional fees if the applicant has significant subsidiaries or foreign holdings requiring investigation. Further, the Gaming Commission reserves the option to require any Non-Gaming Vendor, regardless of the monetary value of their contract, to submit to licensing and associated fees if it is deemed necessary.

4-4 Non-Gaming Vendor - Renewal Application

4-4-1 All Non-Gaming Vendors must maintain a valid Non-Gaming Vendor license unless they qualify for Service Vendor status or are exempted by the Gaming Commission. The gaming enterprise must initiate the renewal process by forwarding a Renewal Notice of Intent to Conduct Business form to the Gaming Commission 120 days prior to license expiration dates.

4-4-2 All Non-Gaming Vendors must submit the required renewal forms by the deadline date given in their license application instruction letter. Failure to submit by this deadline date could result in the license expiring and the Gaming Commission issuing an Order to the gaming enterprise to Cease Doing Business with the vendor. The fees for this renewal is \$750.00, regardless of anticipated cost for goods and/or services.

4-4-3 All Non-Gaming Vendors are under a continuing duty to disclose any material changes to the information or documentation provided in or with an application for license under Section 5.

4-4-4 In the event that significant new information is disclosed since the last issuance of a Non-Gaming Vendor License, the rate will be adjusted based on investigative requirements. This rate will be discussed with the Vendor prior to initiation of the investigation.

4-4-5 If any vendor fails to complete the requirements for renewal of its Non-Gaming Vendor License, or obtain a Provisional License under Section 8, prior to the expiration of such person's current Vendor License, the Gaming Commission will enter an Order prohibiting the gaming enterprise from conducting business with such vendor until such vendor complies with all licensing requirements.

Section 5. Contents of Application

5-1 *Gaming Vendor Application.* Any applicant for a Gaming Vendor License shall

furnish to the Gaming Commission the following information:

- a. A list of all equipment, supplies and/or services offered for sale or lease to the gaming enterprise and a summary of the equipment, supplies and/or services sold to the gaming enterprise during the prior license period, including the total dollar amount of such sales;
- b. A completed Corporate Disclosure Form for the business;
- c. A written certification, in compliance with Gaming Commission Rules, that all supplies, devices, software and equipment conform to Section 6 of the Tribal-State Gaming Compact and applicable Minimum Internal Control Requirements prescribed in the Gaming Commission's Regulations;
- d. A list of jurisdictions in which the Vendor has applied for licensure and all jurisdictions in which the Vendor holds a current and valid gaming license.
- e. A list of jurisdictions in which the Vendor has been denied a gaming license or had a gaming license suspended or revoked.
- f. For each new applicant for a Gaming Vendor License, a completed Control Person Personal History Disclosure for each "Control Person" identified in the Corporate Disclosure Form.
- g. A completed Conflict of Interest Disclosure Form.
- h. An executed Rider to Gaming Related Contracts.
- i. In the case of a Gaming Vendor License Renewal, a completed Control Person Application For Renewal Of Gaming Vendor License.

5-2 *Non-Gaming Vendor Application.* Any applicant for a Non-Gaming Vendor License shall furnish to the Gaming Commission the following information:

- a. A list of all equipment, devices, supplies and/or services offered for sale or lease to the gaming enterprise. In the case of a Non-Gaming Vendor License renewal, a summary of the equipment, supplies and/or services sold to the gaming enterprise during the prior license period, including the total dollar amount of such sales;
- b. A completed Corporate Disclosure Form for the Vendor's business;
- c. A list of all occupational or professional licenses or permits currently held by the Vendor, together with the jurisdictions in which the Vendor holds such licenses or permits.
- d. A list of jurisdictions in which the Vendor has been denied any professional or

occupational license or permit, or had any occupational or professional license or permit suspended or revoked.

e. For each new applicant for a Non-Gaming Vendor License, a completed Control Person Personal History Disclosure for each “Control Person” identified in the Corporate Disclosure Form

f. A completed Conflict of Interest Disclosure Form.

g. In the case of a Non-Gaming Vendor License renewal, a completed Control Person Application For Renewal Of Non-Gaming License.

5-3 Vendor License applications must be completed and signed by a “control person” on behalf of each vendor, have signatures on license applications notarized as indicated and return the completed application to the Gaming Commission office.

Section 6. Action on Application for Vendor License

6-1 A complete investigation will be conducted regarding the information supplied by the applicant(s).

6-2 The Gaming Commission will vote on the approval or denial of the vendor license application or renewal. The Gaming Commission’s licensing suitability determination shall be based on the information obtained or verified through investigation process and the suitability criteria described in Section 7.

6-3 Upon approval of a Vendor License, the Vendor and the gaming enterprise will be notified of that fact.

6-4 Upon denial of a Vendor license, the Vendor and the gaming enterprise will be notified of that fact within 7 calendar days of the Gaming Commission’s decision. The notice to the vendor shall also state the specific grounds for denial, including any criminal conviction(s) prompting the denial, and of applicant’s right to request a hearing before the Gaming Commission and to appeal the decision of the Gaming Commission in accordance with Article XII of the Tribal Gaming Ordinance and any applicable regulations prescribed by the Gaming Commission.

Section 7. Grounds for Refusal to Issue License.

7-1 *Gaming Vendors.* A person, firm or corporation is ineligible to receive a Gaming Vendor’s License if any of the following exist:

a. The Person, or any Control Person, has been convicted of a felony under the laws of Michigan, any other State, or the United States within the 10 years preceding the application for license;

b. The Person, or any Control Person, has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, or to a felony offense involving fraud or misrepresentation;

- c. The Person, or any Control Person, is a member of, or employed by, the Gaming Commission;
- d. The firm or corporation employs a person who participates in the management or operations of any gaming enterprise regulated by the Gaming Commission;
- e. The firm or corporation has an officer, director or managerial employee who submitted the license application which contains false or misleading information;
- f. The person, firm or corporation is associated with organized crime;
- g. The person, firm or corporation has been determined to be one whose prior activities, reputation, habits and association (including any Conflict of Interest) pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements thereto; or
- h. If a provider of gaming equipment or supplies, including any hardware or software relating to such equipment, has refused or failed to provide services which meet the technical requirements for such goods or services meeting the technical requirements prescribed in Tribal law and in Section 6 of the Tribal-State Compact.

7-2 *Other.* In addition to the eligibility requirements for licensing prescribed in Section 6.8.1, the Gaming Commission shall also satisfy itself that each applicant for a Gaming or Non-Gaming Vendor license:

- a. Is a Person whose background, reputation and associations evidence good character, integrity, and honesty.
- b. Has not knowingly or intentionally provided false statements or information or knowingly or intentionally omitted information on the application.
- c. Has not demonstrated a willful disregard for compliance with any gaming regulatory authority in any jurisdiction or has failed to provide information requested by the Gaming Commission or staff.
- d. Has not pursued or is pursuing economic gain in an occupational manner or context which is in violation of the laws of any state, if such pursuit creates probable cause to believe that the participation of such vendor in gaming related activities or the operations of the gaming enterprise would be detrimental, or perceived as detrimental, to the Little River Band of Ottawa Indians.

Section 8. Provisional License

8.1 The Gaming Commission may, at its discretion, issue a provisional license for up to 90-days to any applicant who sends a request in writing to the Gaming Commission

and who has submitted the appropriate license application fee. The date of issuance of the provisional license shall also be the starting date for the annual license.

8-2 *Criteria for Approval of Provisional Licenses.* The Gaming Commission may authorize the issuance of a provisional license for applicants for a gaming or non-gaming vendor license under the following circumstances:

- a. The applicant's license has expired or is about to expire and the applicant has submitted the required application fee and completed his renewal application but either:
 1. the background investigation has not been completed or
 2. the results of the background investigation have not been reviewed by the Director;
- b. The applicant has fully completed the application for an initial license, paid the appropriate license application fee, and fully disclosed documents and information requested by the Gaming Commission and it appears that after review of the application that the applicant is likely to qualify for a license.

Section 9. Effect of License.

9-1 The holder of a vendor license is authorized to sell or lease, and to contract to sell or lease, gaming equipment and supplies unique to gaming to the gaming enterprise or other goods or services during the year for which the license applies.

9-2 *No Property Interest.* A vendor license issued by the Gaming Commission is a privilege and shall not constitute a property interest under Tribal or federal law.

Section 10. Service Vendor Program

10.1 The General Manager of any gaming enterprise shall be responsible for developing and administering an investigative program providing for the investigation of all Service Vendors doing business with such gaming enterprise.

10.2 The General Manager of any gaming enterprise shall submit its proposal for investigating Service Vendors to the Gaming Commission for approval.

10.3 *Contents of Service Vendor Program.* The Service Vendor Program shall include the following elements:

- a. The criteria and scope of investigation proposed for Service Vendors. At a minimum, all Service Vendors shall be required to complete and execute a Conflict of Interest Disclosure Form;
- b. Standards for exempting any class of Service Vendors or individual Service Vendors from the investigation requirement;
- c. Fees charged Service Vendors to off-set investigation costs; and
- d. Monthly reporting to the Gaming Commission of management oversight to

assure compliance with vendor licensing requirements, including:

1. A current list of approved Service Vendors, including new Service Vendors added since the last reporting period and any Service Vendors removed from the Program,
2. The identity of Service Vendors which the gaming enterprise has refused to do business with or suspended business as a result of investigation findings,
3. Tracking of year-to-date sales by or compensation paid to each approved Service Vendor.

e. Provide for advance notice to the Gaming Commission if the gaming enterprise has reason to believe that the sales to the gaming enterprise by a Service Vendor, or compensation for services to a Service Vendor, will exceed \$50,000.00 during the calendar year. Such notice shall describe the circumstances warranting the increased volume of business, and, if appropriate under the circumstances, a request for exemption from the Non-Gaming Vendor Licensing requirements. The Gaming Commission may deem it appropriate to exempt a Service Vendor from Non-Gaming Licensing requirements if the gaming enterprise demonstrates that following circumstances apply:

1. The amount of goods or services purchased in excess of \$50,000.00 during such calendar year is the result of unforeseen or unusual circumstances; and
2. The Gaming Commission determines that the Vendor qualifies for exemption from licensing under Section 3-4 of this Chapter.

f. It shall be the responsibility of the gaming enterprise to notify Vendors of licensing requirements.

10.4 The Gaming Commission will conduct periodic reviews and audits of the Service Vendor Program.